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CENTRAL INTELLIGENCE AGENCY

## REPORT

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SUPPLEMENT TO  
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1. [redacted] the Chinese Communist authorities were purchasing rice throughout Kwangsi. Local governments were ordered to assist in the buying of rice at prices running from JMP 5,000 to JMP 10,000 per ton above the current market price. [redacted] 50X1-HUM
2. A taxation collection conference was scheduled [redacted] the Pearl River Special Commissioner's Office at Shihch'i (113-22, 22-30) to bring the summer taxation work to an end. Tax collecting personnel were notified of the meeting [redacted] 50X1-HUM
3. [redacted] 70,220 tons of rice and flour were shipped by water from Nanking and Shanghai to Dairen, Yingk'ou (122-13, 40-40), and Mukden.<sup>2</sup> [redacted] 50X1-HUM
4. [redacted] the value of JMP was steadily decreasing in Chishan (鷺山), Chekiang. [redacted] the black market exchange rate in this area was JMP 17,000 to one silver dollar. [redacted]
5. [redacted] Canton sent 400 cases of silver dollars, with 1,000 silver dollars in each case [redacted] 50X1-HUM

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[redacted]  
[redacted] The silver was to be converted into foreign currency to purchase military supplies for the Chinese Communist armed forces.

6. [redacted] the Huiyang (114-26, 23-05) government was ordered to complete within two months construction work on the P'inghai (114-53, 22-37) - Janshan (114-48, 22-49) highway, which is to connect with the Canton-Swatoow highway. The Huiyang government has recruited approximately 200 laborers for the project, and the Kwangtung government has appointed 34 engineers.<sup>4</sup> 50X1-HUM

7. [redacted] repair and construction work had been completed on the following roads in Chekiang: 50X1-HUM

- a. The Lishui (119-54, 28-28) - Loch'ing (120-57, 28-08) highway, which passes through Ch'ingt'ien (120-17, 28-09) and Wenchou.
- b. The Loch'ing - Hangchow highway, which passes through Linhai (121-07, 28-53), T'ient'ai (121-02, 29-10), Ch'eng Hsien (120-48, 29-36), Shaohsing (120-34, 30-00), and Hsiaoshan (120-17, 30-10).

- [redacted]  
2. [redacted] Comment. This is sufficient rice and flour for one month's ration for 2,800,000 troops. 50X1-HUM

- [redacted]  
4. [redacted] Comment. More in keeping with Chinese road-building techniques would be a labor force of at least two thousand. 50X1-HUM